

# *McKnight's* **LONG-TERM CARE NEWS**

First source for news across the long-term care continuum



Six readership surveys over a 12 year period prove conclusively that readers prefer *McKnight's Long-Term Care News*.



"Best News Section"  
award from the American  
Society of Healthcare  
Publications Editors.



*McKnight's  
Long-Term Care News:*  
Important to advertisers  
because we're important  
to readers.

**NEW from McKnight's — Assisted Living magazine**  
**See inside to contact your representative today**

# McKnight's

## LONG-TERM CARE NEWS

### The Industry's Only Real News Source

McKnight's Long-Term Care News reports news about the industry events that affect the way patient care is delivered in long-term care institutions.

We examine the people, organizations and institutions working to the benefit or detriment of the long-term care industry, and report on developments that affect operations, whatever they are. We try to give our readers the news, information and perspective they need to make informed caregiving and business decisions in an increasingly complex operating environment. We present industry news and analysis and seek to lead the thought and the debate in long-term care.

### News Needed Now

Providers never needed news more. Our industry is experiencing the most dramatic change it has seen since the dawn of Medicare and Medicaid nearly four decades ago. Changes mandated by government in the areas of staffing, reimbursement, payment and policies are being debated weekly, and they directly affect how facilities are able to operate. Practitioners in this field need to know the forces at work that will affect their residents, facilities, businesses and jobs. They need McKnight's Long-Term Care News, and so do you as an advertiser.

### Frequency of Publication

McKnight's Long-Term Care News is published 16 times a year — every three weeks — with a 17th issue, our Annual Industry Directory, published in August. Our publishing cycle was expanded in 1999, from monthly issuance. Our readers demanded more issues to effectively cover changes in the market. It has met with great reader acceptance, making for our "readership leadership."

### Benefit to Advertisers

Advertisers now need fewer long-term care industry magazines to cover the market through advertising because McKnight's Long-Term Care News generates needed ad impressions through the frequency normally requiring a two publication buy ... and saves you precious dollars!

# Editorial Position

## Coverage of the events that affect long-term care

**M**cknight's *Long-Term Care News* focuses on news about the events shaping the way long-term care is provided — primarily in institutional long-term care settings, but also across the entire long-term care continuum. In addition to nursing home developments, we also publish news stories about assisted living, CCRCs, hospital-based long-term care and senior housing — any place where our readers are delivering care today, or may soon be doing so.

**Our mission** is to be the most important and quotable source in long-term care, for business and patient care news, with a refined and sophisticated ability to report and analyze issues important to institutional long-term care providers. Our editors have more than 18 years in healthcare publishing. Our articles are staff written; we do not publish articles from outside “experts” who attempt to sell themselves. Our unbiased reporting means readers get well-researched information and analysis in the most credible environment from people who understand their business. It’s why we connect with them.

It’s why advertisers connect, too. Readers trust *McKnight’s*, and that trust works for advertisers.

### Key Issues Covered

#### Reimbursement

- Provider payments
- Medicaid and Medicare Policy directions
- Regulations
- Survey, certification and enforcement updates
- Paperwork compliance

#### Legal Developments

- Lawsuits by and against facilities
- Compliance
- Liability

#### Marketplace Changes

- Patient care strategies
- New business directions
- Information management

### News Section

- Developments in patient care procedures
- Centers for Medicare and Medicaid Services (CMS — formerly HCFA) policies
- Government regulatory actions
- Nursing shortage and staff turnover — and retaining employees.
- Legal environment
- Policy positions of the major associations
- Health statistics on aging residents

### Business Section

#### Successful Facility Operations

*Only McKnight's Long-Term Care News offers the industry a dedicated business section. Written specifically to serve the informational needs of operations management, this section covers topics like:*

- Financing the cost of expansion
- Leading long-term care chains
- Managing the services nursing homes offer
- Mergers, acquisitions and current per bed transaction prices.
- Recent legal decisions.
- Building and development trends.

### People and Opinions

*Readers and our editors have their say! A lighter “read,” sometimes funny, often enlightening, sometimes shockingly blunt, where there’s often a surprise.*

### Columns include:

#### Q & A

A discussion with movers and shakers

#### Worth Repeating

Notable quotes

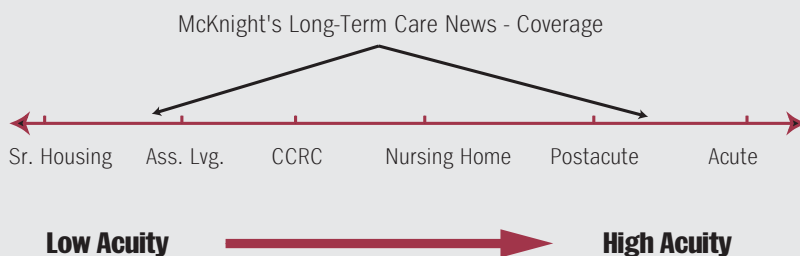
#### Having My Say

Intelligent practitioners

#### Editorial

Editor Jim Berklan comments

### The Long-Term Care Continuum



Even our competitors recommend us to advertisers!

# Circulation, Market Penetration

## Administrators, Directors of Nursing, and Chain Executives in Nursing Homes, CCRCs, and Hospitals with LTC Units

**M**cknight's reaches people who buy goods and services for long-term care facilities. Reaching over 46,000 readers, we hit top managers in both the operations and patient care sides of long-term care. Originally culled from state lists of those with licenses to operate facilities, we grew from 16,000 administrators in April 1980, our first issue, to our current total. Administrators, directors of nursing, medical directors and consulting pharmacists, too, now all enjoy *McKnight's Long-Term Care News*. Total market penetration of facilities as well as the home and regional offices of the major chains is unmatched by any publication serving the field.

We look for different institutional settings where long-term care is being offered and new opportunities to get new readers involved with our magazine, to give advertisers additional opportunities to sell to more market segments. We look ahead to see how nursing home operations are changing, and what new kinds of readers might need our magazine.

Call us today and we'll share some of the more creative methods we use to make sure we're reaching the right people.

The types of facilities reached are nursing homes, CCRCs, and hospitals with affiliated long-term care units plus the headquarters and regional offices of the 200 largest chains and operating companies in long-term care.

See our enclosed BPA Statement for a detailed breakdown of our readers' titles and the magazine's distribution patterns among the facilities into which it is sent.

### Nursing Facilities

The nursing home market segment currently represents the largest component of the long-term care continuum. *McKnight's Long-Term Care News* reaches 21,216 administrative titles and 14,238 Directors of Nursing titles in approximately 18,139 (unaudited) of these facilities. This number includes facilities that are licensed to participate in the Medicaid and Medicare programs, as well as all private facilities that do not depend on government in any way to finance resident care.

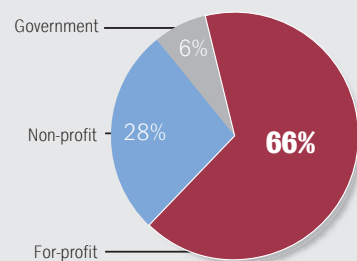
According to CMS, more than \$99 billion was spent on long-term care in the year 2001. If personal healthcare expenditures were expressed in terms of one dollar, nine cents would have been spent on nursing home care, while three cents would have been spent for home care and other personal (custodial) care.

In 2002, nearly 20% of *McKnight's Long-Term Care News'* readers offered assisted living services in their facilities. Another 14% offered "postacute care services" (more hospital-like), and 11% offered special services (such as Alzheimer's and dementia care programs).

### Statistics

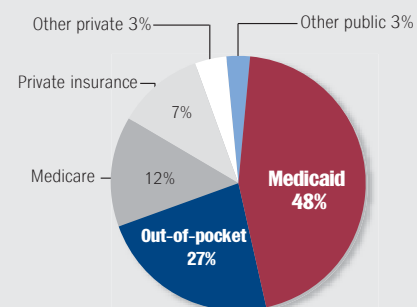
- 16,456 Government-certified facilities (for the Medicare and/or Medicaid programs)(excludes private facilities)
- Dually Certified - 66%
- Medicare Only - 4%
- Medicaid Only - 25%
- Number of Beds - 1,798,175
- Average Beds - 107
- Occupancy Rate - 81%
- For-Profit Beds - 66%
- Non-Profit Beds - 27%
- Government - 7%
- Part of Chain - 52%
- Chains - 18%+ (Under top 10 chains' control)
- 3.36% Controlled by Beverly - largest chain
- Medicaid = 65 -70% of census & 48% of revenues
- Medicare = 10 -15% of census & 12% of revenues
- Private Pay = 20% of census & 30% of revenues

### Nursing home ownership\*



\* By number of beds  
Source: CMS OSCAR Data, 2003

### Nursing home funding sources



Source: CMS Office of the Actuary, 2003

Nursing homes have become a “microcosm” of the long-term care industry, providing several of the services that can be found in other, non-affiliated free-standing facilities. Competition for residents intensified when government expanded payment for care under the Medicare program; thus nursing homes began providing more post-acute care services to capture a share of those new monies.

### LTC Hospitals / Hospital-Based LTC Units

Approximately 13% of all skilled nursing facilities are hospital based — roughly 1,734. They tend to be far smaller units than traditional free-standing nursing homes, but they deliver higher-acuity care to more medically complex residents. They are important sources of business to marketers of many patient care products. *McKnight's Long-Term Care News* reaches 779 administrators and 639 directors of nursing in 1,187 (unaudited) of these facilities.

### CCRCs

By some estimates, there are approximately 2,200 continuing care retirement communities (CCRCs), with about 621,000 units currently operating in the United States. They are large complexes resembling college campuses that typically offer a wide variety of long-term care services.

*McKnight's Long-Term Care News* reaches 718 (unaudited) of these facilities with circulation to 1,367 Administrators and DONs working in them. CCRCs offer a comprehensive array of services tailored to individual residents' needs, abilities, and preferences. Typical services and amenities may include nursing and other health services, meals, housekeeping, transportation, emergency help, personal assistance, and recreational and educational activities. In essence, independent living, assisted living, and nursing care are available within the building or campus.

### Assisted Living

*McKnight's* has just launched a new publication *Assisted Living* which reaches 18,000 administrators, directors of nursing, and executives of chains that operate groups of facilities nationwide. Once fully distributed we will reach into 12,000 individual facilities (unaudited).

Assisted living provides a special combination of residential housing, personalized supportive services and healthcare. These residential settings maximize independence, but do not provide skilled nursing care. They are designed to meet the individual needs of those requiring help with activities of daily living, but do not need the skilled medical care provided in a nursing home.

### Services

Nursing homes began providing this service to expand access to private pay revenues. Many nursing home operators see it as a way to provide a valuable service in the community, and allow transfers to the nursing home when and if the assisted living residents should need it (which in many cases they will).

Advertisers interested in the nursing home and assisted living segments can reach both with *Assisted Living* and *McKnight's Long-Term Care News*.

### Industry Insight, Intelligence in McKnight's

#### More demand

*“We have an aging population that will need new and better-suited long-term care options.”*

— Tom Scully, CMS Administrator, on what customers will expect from this growing field.

#### More diversity

*“Today's long-term care housing offerings will look like boring conformity compared to what we will see in 20 years.”*

— Robert G. Kramer, executive director of the National Investment Center for the Seniors Housing and Long-Term Care Industries, on diversified long-term care settings that will appear in the coming years.

#### More technology

*“Technology will be a major factor in improving the quality of life for our customers.”*

— Larry Minnix, president and CEO of the American Association of Homes and Services for the Aging.

### Survey: LTC distributors' growth rebounds best

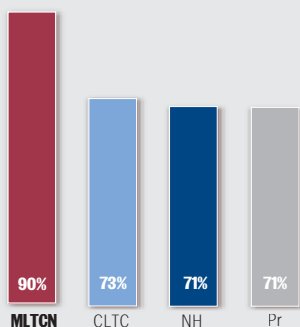
Medical products distributors in the long-term care sector made the biggest growth rebound in the distribution sector in 2001, according to results of a new survey.

The Health Industry Distributors Association's “2002 Distributor Financial Performance Survey” found that long-term care distributors grew at an 11% clip in 2001, compared with just 3% in 2000. Average growth for all distributors was 12%, beating the forecast of 9% made by participants in last year's survey and the 10% actually recorded in 2000, HIDA said.

The survey is an annual analysis of the performance, financial condition and key operating characteristics of the healthcare products distribution industry. Its report is based on data collected through HIDA member distributors; it allows distributors to compare their company performance against average industry statistics.

To obtain more information or purchase the report, visit <http://hidanetwork.com>.

### More readers get McKnight's



Source: Readex Preference Study, 2003

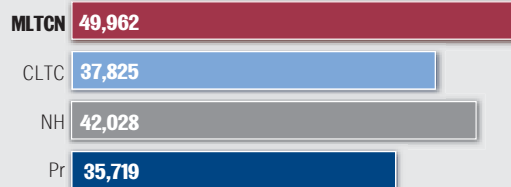
### Market penetration

Number of facilities reached



Source: McKnight's LTCN circulation files

### Effective circulation



Source: BPA circulation statements (eliminates non-nursing home decision-makers), 2003

# Readership

## Why McKnight's is valuable to advertisers

**R**eadership data documents the “bond” a magazine has established with its readers. You simply shouldn't buy into publications that can't prove that bond exists. *McKnight's Long-Term Care News* invests in regular readership studies and thereby invests in building that bond. We've been investing in our product to assure our advertisers that readers — their customers and prospects — respond positively to the editorial environment provided.

*McKnight's Long-Term Care News* has invested in six Readex Readership Surveys over 12 years, and for all those years readers' answers to questions about which publication they prefer have been consistent...

Readers choose *McKnight's* — overwhelmingly — in every survey, as the one publication they would read about the long-term care field if they could read only one. Even in the few studies competitors have done, we finish first or second!

*Our competitors almost always recommend us when asked which other magazine an advertiser should buy!*

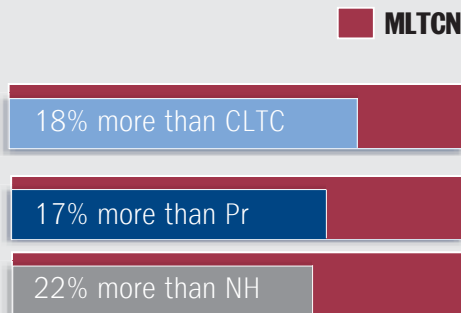
### Two factors make these surveys especially valid:

- 1) Using a sample of over 650 readers (3x larger) than would normally be required to achieve valid and acceptable results, and;
- 2) An astounding average response rate — 60% over all five surveys!

Summary of reader surveys over the past 10 years		
May 1993	750 readers surveyed	74% response rate
May 1995	750 readers surveyed	71% response rate
July 1997	670 readers surveyed	64% response rate
April 1999	670 readers surveyed	58% response rate
July 2001	840 readers surveyed	59% response rate
June 2003	650 readers surveyed	34% response rate

### More Personal Copies

More of your customers and prospects get **their own copy** of *McKnight's Long-Term Care News*.



Source: Readex Preference Study, 2003

Here are some of the highlights of the most recently conducted Readex Readership Survey, completed in June 2003.

### Better Reader Penetration!

More of your customers and prospects say they regularly receive *McKnight's Long-Term Care News*.

- ... 13% more than CLTC.
- ... 19% more than Nursing Homes.
- ... 19% more than Provider.

### More Issues Read More Often!

More readers read 3 out of 4 issues of *McKnight's Long-Term Care News* than the other publications serving the field.

- ... 17% more than CLTC
- ... 20% more than Nursing Homes
- ... 15% more than Provider

### Editorial Rated Better!

*McKnight's Long-Term Care News* editorial product was rated Excellent/Very Good by 57% of the respondents, versus ...

- ... 34% for CLTC
- ... 43% for Provider
- ... 36% for Nursing Homes

When Excellent alone is considered, 20% of readers responding rated us excellent versus ...

- ... only 18% for Provider
- ... only 11% for CLTC
- ... only 9% for Nursing Homes

### Helps Anticipate Problems!

*McKnight's Long-Term Care News* beat all others at helping this industry anticipate problems

- McKnight's - 23%
- Provider - 14%
- Nursing Homes - 13%
- CLTC - 11%

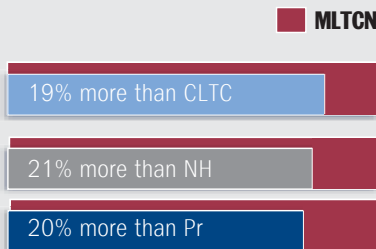
### Most Useful of All!

28% of readers responding rated *McKnight's Long-Term Care News* the most useful long-term care publication they get versus ...

- ... only 18% who said Provider was most useful
- ... only 15% who said CLTC was most useful
- ... only 11% who said Nursing Homes was most useful

## More of your customers see McKnight's

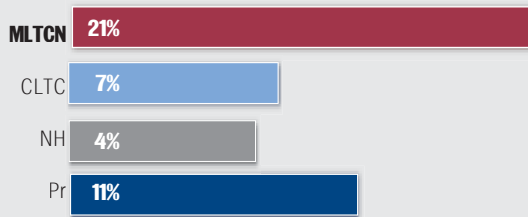
More of your customers and prospects say they regularly receive *McKnight's Long-Term Care News*.



Source: Readex Preference Study, 2003

## Preferred for Product/Services information

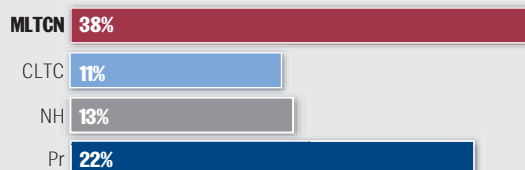
*McKnight's Long-Term Care News* is preferred over the others for information on products and services by readers of all four magazines.



Source: Readex Preference Study, 2003

## Readers choose McKnight's, if choosing only one

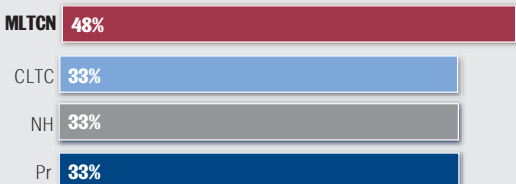
*McKnight's* is the one publication they would get if they could choose only one.



Source: Readex Preference Study, 2003

## Looked through 4 out of 4 of last issues

Readers who receive all four industry publications say they read or "look through" more issues of *McKnight's* on a regular basis than other industry magazines.



Source: Readex Preference Study, 2003

## McKnight's Overall is Preferred By Readers!

38% of readers responding rated *McKnight's Long-Term Care News* the long-term care magazine they prefer overall, versus

... only 22% for Provider

... only 11% for CLTC

... only 13% for Nursing Homes

## Readers of all four magazines prefer McKnight's

40% of respondents to the survey said they receive all four publications. Some of the survey results appear below.

These readers can be thought of as the best informed people in our industry. They seek access to the widest variety and largest amount of industry information. The more familiar readers are with the industry magazines they receive, the more often they select *McKnight's Long-Term Care News* as the one that serves them best!

## Here is what the research shows:

*McKnight's* is read more thoroughly than the other industry magazines.

24% said they read all or almost all of *McKnight's*

22% for Provider

15% for CLTC

18% for Nursing Homes

Far more readers of all four magazines rated *McKnight's* best (excellent or very good) at covering issues most important to your day-to-day work.

67% chose *McKnight's* versus:

64% for Provider

53% for CLTC

56% for Nursing Homes



# 2004 Rates and Specifications

## Display Advertising Rates

The following advertising rates are effective with the Jan. 11, 2003, issue.

### Tabloid Page – Black & White Rates

	1x	4x	8x	16x	24x	36x	48x
Tabloid Page	6,135	5,520	4,715	4,565	4,505	4,335	4,225
3/4 Tabloid	5,645	5,080	4,435	4,210	4,165	3,995	3,985
Half Tabloid	4,745	4,270	3,700	3,530	3,945	3,350	3,260
1/3 Tabloid	3,895	3,505	3,025	2,880	2,840	2,725	2,650
1/4 Tabloid	3,400	3,060	2,615	2,490	2,450	2,350	2,290
1/8 Tabloid	2,880	2,590	2,205	2,095	2,075	1,990	1,950

### Standard size – Black & White Rates

	1x	4x	8x	16x	24x	36x	48x
Standard Page	4,945	4,450	3,710	3,500	3,425	3,305	3,195
Standard 2/3	4,410	3,970	3,245	3,100	2,985	2,885	2,791
Standard 1/2	3,365	3,030	2,525	2,385	2,330	2,245	2,175
Standard 1/3	3,160	2,850	2,370	2,255	2,185	2,095	2,030
Standard 1/4	2,770	2,495	2,085	2,015	1,905	1,810	1,775
Standard 1/6	2,330	2,095	1,750	1,665	1,615	1,535	1,505

### Color Rates

Additional costs to black & white space rates.

	Per Page*	Per Spread*
Standard color, per color	\$640	\$950
Matched PMS color, per color	775	1,080
Four color	1,500	2,250
Metallic color		Contact Account Manager

\*The same rates apply to any size ad on a page.

### Cover and Special Position Rates

Cover and special position charges are in addition to black & white space and color rates.

2nd cover (4/C only)	\$680	Center Spread (4/C only)	\$605
3rd cover (4/C only)	\$525	Editorial Page	\$250
4th cover (4/C only)	\$860	Page 5	\$500

### Bleed Advertisements

No charge. Regional Advertising Contact account manager for rates.

### Classified rates

One-inch: 1 Column x 1"	\$142	136	131	126	120
Two-inch: 1 Column x 2" or 2 Column x 1"	\$255	245	235	226	217
Three-inch: 3 Column x 1" or 1 Column x 3"	\$425	408	392	376	361
Four-inch: 2 Column x 2" or 1 Column x 4"	\$567	544	523	502	482
Six-inch: 3 Column x 2" or 2 Column x 3"	\$725	696	668	641	615
Eight-inch: Quarter Page Standard 4 Column x 2" or 2 Column x 4"	\$810	778	747	717	688

For additional fractions of inches, add appropriate percentage of an inch, to the earned rate.  
(e.g. 2 Column x 2.25" is computed @ 8x Rate plus 25%). 2 Color-Add \$90.00 - Publisher's Choice 4 Color-Add \$200.

## Inserts and Postcards

Furnished Inserts: Maximum paper stock weight (25" x 38" basis) is 100 lb. coated text or 80 lb. uncoated text. Inserts jog to top unless otherwise specified. Contact Advertising Production at (847) 784-8706 for mechanical specifications, quantity and shipping instructions.

**Insert Rates:** Inserts are charged at the regular black & white earned frequency rate per page less applicable discount:

- 2-page insert – less 10% discount
- 4-page insert – less 25% discount
- 6-page insert – less 30% discount
- 8-page insert – less 35% discount

For quotes on inserts larger than 8 pages or regional inserts, contact account manager.

**Furnished Postcards:** Must be supported by a standard page (7" x 10") or larger run-of-book advertisement.

Contact account manager for rates, mechanical specifications, quantity and shipping instructions.

**Insert and Postcard Due Date:** Five days after issue closing date.

### Mechanical Specifications

Accepted Materials: Electronic Digital File. Call Advertising Production at (847) 784-8706 to request a copy of our Electronic Digital Guidelines and Imaging Order Form, which must accompany all files for processing. A SWOP standard proof of the file supplied at 100% size is required for all ads. Typesetting, camera work, stripping, scanning, film conversion and file manipulation will be billed at cost when required to convert to a useable electronic digital file.

**Line Screen** (B/W, 2/C, 4/C): Maximum 133; acceptable 120

**Density:** B/W, 2/C maximum 160% to 170%; 4/C maximum 260% to 280%

**Standard Colors:** Red (100% magenta and 100% process yellow), magenta, process yellow, cyan and green (100% cyan and 100% process yellow). Colors conform to Standard Web Offset Printing (SWOP) specifications.

**Proofs:** B/W, 2/C, 3/C ads require a digital proof at 100% size of the file supplied. 4/C ads require a Kodak Approval or equivalent SWOP standard color proof at 100% size of the file supplied. If color proof is not furnished, one will be produced at advertiser's expense.

**Printing:** Web heatset offset

**Paper Stock:** 38 lb. #5 Groundwood Gloss Stock

**Binding:** Saddle stitched

**Disposition:** Electronic files and film will be returned six months from last use if requested in writing.

**Note:** Film conversion and file manipulation will be billed at cost when required to convert to a useable electronic digital file.

### Shipping Instructions

Printing materials and instructions to:

Ad Production Department  
McKnight's Long-Term Care News  
One Northfield Plaza, Suite 521  
Northfield, IL 60093-1216  
Phone: (847) 784-8706  
Fax: (847) 784-9346

### Display Advertising Sales Offices

#### Auggie James

Midwest Account Manager  
One Northfield Plaza, Suite 521  
Northfield, IL 60093  
Phone: (847) 784-8706 ext. 19  
Fax: (847) 784-9346

#### Bob Santini

Vice President  
Publisher  
114 W. 26th Street, 3rd Floor  
New York, NY 10001  
Phone: (646) 638-6003  
Fax: (646) 638-6116

#### Cheryl Hackos

Eastern Account Manager  
444 Route 45  
Temple, NH 03084  
Phone: (603) 878-9969  
Fax: (603) 878-4544  
chackos@mltn.com

## Tabloid Sizes



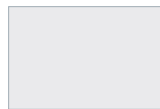
Tab Page  
9 3/4" w x 14" d



Tab Page – Bleed  
10 1/4" w x 14" d  
(Trim Size: 10 7/16" w x 13 3/4" d)  
(Live Area: 9 3/4" w x 13" d)



Tab Spread  
20 1/8" w x 13" d  
(Trim Size: 20 7/8" w x 13 3/4" d)



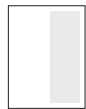
Tab Spread – Bleed  
21 1/8" w x 14" d  
(Trim Size: 20 7/8" w x 13 3/4" d)  
(Live Area: 20 1/8" w x 13" d)



Tab 3/4 Vertical  
7" w x 13" d



Tab 3/4 Square  
9 3/4" w x 9 3/4" d



Tab 1/2 Vertical  
4 1/2" w x 13" d



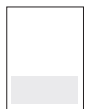
Tab 1/2 Horizontal  
9 3/4" w x 6 1/2" d



Tab 1/3 Vertical  
4 1/2" w x 9" d



Tab 1/3 Square  
7" w x 6" d



Tab 1/3 Horizontal  
9 3/4" w x 4 1/4" d



Tab 1/4 Vertical  
4 1/2" w x 6 1/2" d



Tab 1/4 Horizontal  
9 3/4" w x 3 1/4" d

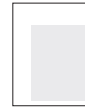


Tab 1/8 Vertical  
2 3/8" w x 6 1/2" d



Tab 1/8 Horizontal  
4 1/2" w x 3 1/4" d

## Standard Sizes



Standard Page  
7" w x 10" d



Standard Bleed  
8" w x 10 3/4" d  
(Trim Size: 7 7/8" w x 10 1/2" d)  
(Live Area: 7 1/8" w x 10" d)



Standard Spread  
14 3/8" w x 10" d



Standard Spread – Bleed  
16" w x 10 3/4" d  
(Trim Size: 15 1/4" w x 10 1/2" d)  
(Live Area: 15" w x 10" d)



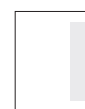
Standard 2/3 Page  
4 1/2" w x 10" d



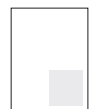
Standard 1/2 Vertical  
4 1/2" w x 7 1/2" d



Standard 1/2 Horizontal  
7" w x 4 7/8" d



Standard 1/3 Vertical  
2 3/8" w x 10" d



Standard 1/3 Square  
4 1/2" w x 4 7/8" d



Standard 1/4 Vertical  
2 3/8" w x 7 1/8" d



Standard 1/4 Horizontal  
7" w x 2 3/8" d



Standard 1/8 Page  
2 3/8" w x 4 7/8" d